

INDIAN BANK'S CORE OPERATING PROFIT UP BY 14% IN Q3

The Board of Directors of Indian Bank have approved the Accounts for the period ended December 31, 2011 at its meeting held in Chennai on January 30, 2012. The accounts have been subjected to limited review by the Bank's Statutory Auditors.

Briefing the Print and Electronic Media, Shri T M Bhasin, Chairman and Managing Director, Indian Bank highlighted the Bank's performance for the third Quarter of FY 2011-12.

NET INTEREST INCOME SURGES BY 12.8 %**NET PROFIT IMPROVES TO ₹ 526 CRORE****Highlights of Performance for the Quarter ended December 2011****Profit**

- **Net Profit** amounted to ₹526 crore as compared to ₹ 491 crore in the corresponding period of previous year, registering a y-o-y growth of 7%.
- **For 9 months period, Net Profit stood at ₹ 1402 crore** as against ₹ 1275 crore (9.9%).
- **Core operating profit** (excluding trading profit) increased to ₹ 867.37 crore from ₹ 761.37 crore in Q3 FY11, recording a growth of 14%.
- **Core operating profit** (excluding trading profit) increased to ₹ 2446.33 crore from ₹ 2159.38 crore for nine months period recording a growth of 13.3%.
- **Interest Income** up by 35% from ₹ 2392 crore in Q3 (2010-11) to ₹ 3224 crore in Q3 (2011-12)
- **Interest Income** up by 33.6% to ₹ 9040 crore (NINE MONTHS PERIOD 11-12) from ₹ 6767 for NINE MONTHS PERIOD 2010-11
- **Total Income** up by 32.8% from ₹ 2641 crore in Q3 (2010-11) to ₹ 3505 crore in Q3 (2011-12)
- **Total Income** up by 29.1% to ₹ 9913 crore (NINE MONTHS PERIOD 11-12) from ₹ 7677 for NINE MONTHS PERIOD 2010-11
- **Net Interest Income** up by 12.8% from ₹ 1038 crore in Q3 (2010-11) to ₹ 1170 crore in Q3 (2011-12)
- **Net Interest Income** up by 14.03% to ₹ 3335 crore (NINE MONTHS PERIOD 11-12) from ₹ 2925 for NINE MONTHS PERIOD 2010-11

Business

- **Total Global Business** of the Bank rose to ₹ 2,07,014 crore as compared to ₹1,74,935 crore in December 2010, registering a y-o-y growth of **18.34 %**.
- **Global Deposits** stood at ₹ 1,18,970 crore as compared to ₹ 1,01,015 crore in December 2010, recording a y-o-y growth of 17.8 %.
- **Savings Deposits (Global)** improved to ₹ 29,489 crore in December 2011 from ₹25,972 crore in December 2010 recording a growth of 13.5%..
- **CASA Deposits (Domestic)** improved to ₹ 35,536 crore in December 2011 forming 31.3% of Total Deposits.
- **Global Loan Book** has increased to ₹88,044 crore or by 19.1% (y-o-y) as against ₹ 73,919 crore as on 31.12.2010.
- **Global Credit Deposit Ratio** was at 74% as against 73.2% in December 2010.

Key Ratios

- **Return on Average Assets** improved to 1.53% for the quarter ended December 2011 from 1.42% (Q2 2011-12)
- **Return on Equity** improved to 22.23% for the quarter ended December 2011 from 20.91% (Q2 2011-12)
- **Cost to Income Ratio** improved to 37.2% for the quarter ended December 2011 from 37.7%.(Q2 2011-12)
- **Earnings per Share** was at ₹ 47.88 (annualised) for Q3 FY12 as against ₹44.03 (annualised) in the same period of the previous year.
- **Book Value per Share** was higher at ₹ 217.05 at December 2011 from ₹ 184.34 as on December 2010.
- **Net worth improved to ₹ 9728 crore from ₹ 8327 crore as on 31.03.2011.**
- **As per Basel II, the CRAR** was at 11.84 % as at end of December 2011 (Tier-I Capital: 9.55 %; Tier-II Capital: 2.29 %).
- **Headroom available in Tier II - ₹ 6195.88 Crore.**
- **If the Current year Profit is taken for computation of CRAR, the CRAR improves to 13.48 % (Tier I : 11.19 %).**
- **Rating received for Tier II Bonds of ₹ 1000 crore by Rating Agencies - "AAA" by "CRISIL" & "CARE".**
- **Government Permission to dilute 10% Govt. Holding i.e. to issue 6.14 crore shares amounting to ₹ 61.40 crore is in hand.**
- **Request for conversion of ₹400 crore Perpetual Non-Convertible Preference Shares (PNCPS) into equity under consideration of GOI/RBI.**

Asset Quality

- In 3 quarters the Bank had conducted 2611 recovery camps contacting over 55000 borrowers and recovered ₹ 64.50 crore.

- In the same period lok adalats were conducted at 88 centres dealing with 20545 cases resulting in spot recovery of ₹ 5.86 crore
- The Bank continued to maintain its good record of recovery at ₹ 366 crore.
- **Gross NPA to Gross Advances ratio was at 1.35%.**
- **Net NPA to Net Advances ratio was at 0.80%.**
- **Provision Coverage Ratio** was at 76.50 % against RBI's stipulation of 70%.

Priority Sector

- **Priority Sector advances** increased ,by ₹ 4,379 crore or 17.4% to ₹ 29,590 crore as on 31.12.2011 constituting 40.9% of Adjusted Net Bank Credit (as per new classification norms of Reserve Bank of India)
- **Agriculture credit** increased by ₹ 2,790 crore or by 25.8 % (y-o-y) to ₹ 13,588 crore as on 31.12.2011 constituting 18.8% of Adjusted Net Bank Credit. Direct Agriculture was at ₹ 11525 crore and indirect Agriculture was at ₹ 2063 crore.
- Special Agricultural Credit Plan: Against the annual target of ₹ 8,300 crore for the year 2011-12, disbursements were ₹9624.56 crore, recording 116% achievement.

Financial Inclusion (FI)

- As on 31st December, 2011, the Bank has provided banking services to all the allotted 1511 villages with population above 2000, through various delivery models as below:
 - ✓ 1413 villages through Smart card based Business Correspondent(BC) Model
 - ✓ 47 villages through Banking Service Centres (BSCs)
 - ✓ 6 villages through Brick and Mortar branch
 - ✓ 45 villages through Mobile Branch/Van
- Bank has opened 4 lakh no frill accounts and given 3.37 lakh smart cards to account holder in the FI implementing villages.
- Apart from Financial Inclusion, as on 31.12.2011 Bank has opened 28.94 lakh 'No Frill' accounts through various branches across the country. OD and GCC facilities sanctioned to 56208 beneficiaries amounting to ₹ 1298.95 lakhs.
- Launched Special/Variable Recurring deposit and SB cum Overdraft facility products
- In Union Territory of Puducherry, the Bank as the SLBC Convenor along with various banks has provided banking services to all the 42 villages with population above 2000 and 25 villages with population below 2000 under Financial Inclusion, making **UT of Puducherry the first in the Country to provide banking services to all the villages including villages with population below 2000.**

Microfinance

- During the quarter ended Dec 2011, loans amounting to ₹ 1359.4 crore have been disbursed to 55391 SHGs, the outstanding increased by ₹ 211.29 crore to ₹ 2335.77 crore.

- Bank opened two more MICROSATE branches at Mannargudi and RaeBareilly taking the total to 45 branches for specialised lending to SHGs.

Education Loan

- Education Loans was at ₹ 3214.68 crore increasing by ₹403.98 crore as on 31st December 2011. During the nine month period, ₹ 512 crore was disbursed to 82809 students.

Small & Medium Enterprises

- Total outstandings under Micro and Small enterprises portfolio increased to ₹10062 crore from ₹9481 crore, registering a growth of 6.13% (y-o-y).

Retail Credit

- Bank's exposure under Personal Segment Advances amounted to ₹ 12,538 crore, registering a growth of 10.32 %.(y-o-y).

I.T. & Other Initiatives

- 8 branches and 32 new ATMs were opened during the quarter taking the total to 1935 branches, (including 3 foreign branches at Singapore, Colombo and Jaffna) and 1241 ATMs.
- E-treasury inaugurated for Integrated Treasury operations combining the Domestic and Forex Trading on a common software package
- E lounge inaugurated at corporate office facilitating Cash withdrawal, Cash deposits and internet banking
- WAP enabled Mobile Banking facility
- 24 hour e-banking Lounge offering 24X7X365 banking services with Internet Banking, Touch Screen Banking for all Account related transactions
- Audio Visual Webpage
- Online Loan Application System for Education Loan and Home Loan schemes

Awards and Accolades

- **Winner of Outlook Money Awards 2011** under the best Education Loan provider.
- **"Skoch Financial Inclusion award-2012"** for Completion of 100% Financial Inclusion in UT of Puducherry,
- **Golden Peacock Innovative Product/Service Award – for the year 2011** in recognition of contribution to promotion of Self Help Groups (SHG) at the World Congress on Total Quality held in Bengaluru.
- **"Best Risk Master Award"** for Public Sector Bank Category from FIBAC in the FICCI – IBA Conference on 25.08.2011.
- **Dun & Bradstreet Banking Awards 2011 for Best Asset Quality** on 30.08.2011
- **Best Bank Award among the Public Sector Banks (II Rank) by the Financial Express for 2010-11** on 17.09.2011
- **CNBC – TV 18 Award for the Best Public Sector Bank in mid size category for Superior Quality of Assets, Profitability, Efficiency & Productivity** on 12.09.2011.
